

Software Selection Guide



**How to Evaluate, Select, and Successfully Implement
a Project Management and Accounting Solution**



**PROJECT-FOCUSED
ORGANIZATIONS**



Seven Steps to Success

Introduction

For project-driven companies looking for a total business management solution, the prospect of selecting project management and accounting (PMA) and/or financial management software can be daunting. First, you must face the fact you need a solution. Either you've outgrown your system or the operational problems it causes can no longer be ignored.

Next, you must ensure you choose a solution that addresses your business requirements, meets your budget, and can be implemented as painlessly as possible within your scheduled time frame. Finally, you need a solution that truly delivers the operational improvement you seek—efficiency that produces increased productivity and profitability.

This Guide will get you started on the right foot and direct you through the process with tips from Synergy Business Solutions' years of experience effectively implementing solutions. Whether you are searching on the Internet, reviewing print publications, relying on a consultant, or contacting resellers and solution providers, this Guide will enable you to navigate your search with keen insight and make your job easier.

RELEVANT INDUSTRIES
Construction and Building
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Software & IT
Other Project-driven Organizations

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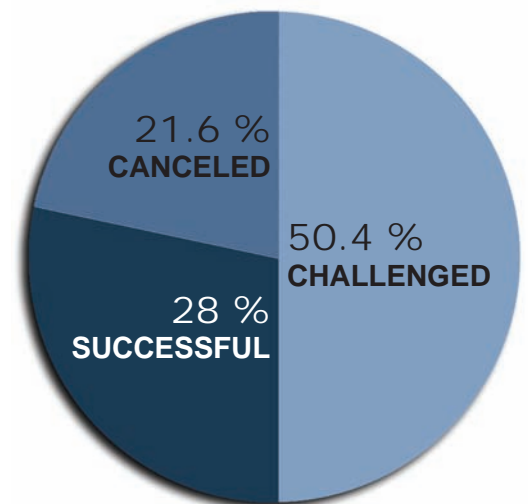
Start by Asking the Right Questions

The right questions may elude you, particularly if you have never performed a software selection evaluation and executed a successful implementation and data conversion. There are inherent risks associated with the purchase decision.

For example, a study by the Standish Group of IT Implementation and Customization projects in companies with less than \$200 million in annual revenue revealed that the majority of IT projects are NOT successful.

- 50.4% were challenged, meaning they were over budget, over time, and/or did not deliver the functionality as promised.
- Overall, these projects ran 214% of budget and took twice as long as expected (lack of planning).
- They delivered 74% of the functionality that was promised (lack of proving).
- 21.6% were cancelled altogether
- **Only 28% were successful.**

IT Implementation Projects



Therefore, the right initial questions include the following:

- What are the characteristics of successful implementations?
- How can we ensure that our IT project will be within budget, on time, and will deliver 100% functionality?
- What should be our software selection plan and strategy?

The following steps will also help you ask more of the right questions and get solid answers.



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Focus on Business Fit not Software Features

As you formulate your selection plan and begin searching, keep in mind to focus on a solution rather than software. There's a myriad of software choices and several will have features that match your requirements.

More important than software features is working well with a proven solution provider, configuration of the software to fit your business needs and requirements for your industry, the ability and ease to customize the software if necessary, the provision of quality training and services during and after implementation, and ongoing technical support and other client services.

Look for flexible software that fits your project-based accounting needs and a provider that can provide a total integrated solution.

Project-driven companies typically need total solutions for the following:

- Project Management
- Project Accounting
- Change Orders
- Contract Administration
- Time and Expense Entry
- Analytics and Business Intelligence
- Web Access to Data and Reports

3

Create an Evaluation Plan

Discovering the best new PMA and/or financial management software system for your company requires more than writing down a set of requirements and then matching them to a software feature list. It is necessary for a solution provider to have a broad understanding of your industry and your company in order to recommend the optimum solution.

Take time to gather information about your company that you can share with a solution provider so a software selection will accurately fit your circumstances and requirements. Here is information that will be important for a provider to know:

1. Organization's mission statement, goals, objectives, strategies, nature of the business, and key issues
2. Future plans – growth, change



3. Key stakeholders impacted by the scope of the project – their roles and the impact
4. Executive sponsor (decision maker) and selection project leader
5. Compelling reasons to change
6. Critical success factors for project
7. How the decision will be made, who will make it, and what the process will be
8. Critical needs requirements
9. Project timing
10. Project budget
11. Planned go-live date
12. What companies and packages are being evaluated

After this information is gathered, work with a solution provider that lays out a realistic and effective evaluation plan and project timetable you can agree on.

4

Determine and Confirm a Viable Solution

The first action item on an evaluation plan should be to determine the viability of a solution. These questions should be sufficiently answered before proceeding.

Determine:

1. Can the provider deliver an effective and successful solution?
2. Can they help you solve your problems better than any other company?
3. Can the solution deliver strategic, as well as tactical benefits? (See pages 6 and 7).
4. Are the requirements sufficiently defined?
5. Do you as an organization meet most of the characteristics of an A-level client? (See page 10).
6. Can the provider implement the solution with a good ROI and a justifiable budget?



You and the potential solution provider you select must confirm the answers to these questions at this stage but also on an ongoing basis.

Confirm: 1. Business Fit

- Solution provider confirms their understanding of your business objectives
- Solution provider confirms the software fits your needs
- Both companies confirm their corporate cultures match
- You confirm to the solution provider they have executive support in your company

2. Initial software solution

- You confirm the solution through an initial software demonstration, taking the precautions described below

Tactical and Strategic Benefits

While most companies easily identify the tactical (technical) values they want from a new solution, it is the strategic values that ultimately create the most significant and compelling reasons to acquire a new system. Below are the most frequently-identified benefits our clients want to achieve in order of importance. The more benefits you can identify as important, the more value a new system will have.

STRATEGIC VALUES		
<p>Strategic Benefits – Advantage: Competitive advantage Customer demands for online information Market share Market leaders Speed to market New service lines Government regulation Corporate culture Leadership Growth Mergers and acquisitions</p>	<p>Financial Benefits – Return: Return on investment Cost reductions Reduced paper handling Revenue gains Productivity Cash flow</p>	<p>Cultural Benefits – Change: Employee moral - up due to new system Teamwork - departments communicate Empowerment Flexibility Innovation Competitiveness Risk taking Accountability Quality</p>



TACTICAL VALUES

Operational Benefits – Applications:

- Ease-of-use
- Efficiency
- Throughput
- Integration
- Functionality

Feature and Capability Benefits – Tools:

- Language - VB.NET
- Database - SQL Server 2005
- Tools - Microsoft Office Suite and others
- Network - Windows 2003 Server

5 Beware of Software Demos

Seeing a software demo is good as an introduction, but not as a confirmation that the software is the right choice. Why? Because the demo doesn't show you for certain that the software will provide all the functionality your company requires.

During the demo you may think you have covered all your requirements and asked all the right questions about the functions you need. But inevitably, you won't think of everything and there will be misunderstandings about what the software can actually do, what you think you saw, or how the demonstrator answered a question. For example, focusing on features too much may cause you to overlook drawbacks of the solution.

It is better to allow time for a proper assessment of your needs and specifications, enter some of the data specific to your organization (general ledger accounts, customers, vendors, inventory items, projects, etc.) into the package, and test and prove you have a working solution before you buy.

Therefore, don't purchase software based solely on a demonstration. Once you have purchased the software you can't return it. Insist on a proof-of-concept system first (see #6 below).

6 Create a Proof-of-Concept System

The proof-of-concept system is a prototype or diagnostic of the software with your sample data. Much more comprehensive than a software demonstration, it involves beginning to work with a solution provider's project staff before purchasing the software and implementation. It is a thorough planning process that proves that the proposed solution actually will work with your data before you purchase.

Synergy Business Solutions calls this the Plan > Prove > Purchase approach:



PLAN - Plan Right from the Start

- With knowledge of your industry, the solution provider's expert staff plans your no-obligation-to-buy implementation.
- The staff does a needs assessment (usually about 40 hours) to determine your specific requirements in all areas of your company.

PROVE - Prove With Your Data

- The solution provider creates a proof-of-concept prototype (usually about 40 hours) with your general ledger accounts, customers, vendors, projects, etc. and fully documents it.
- You confirm the solution actually does all the critical functions and processes required. This is the best insurance you can buy.

PURCHASE - Purchase a Working Solution With Reduced Implementation Cost

- After the solution provider plans and proves, they present a final software and implementation purchase proposal.
- Upfront due-diligence, planning, and prototyping give you a precise road map and reduce your implementation time and cost.

7 Implement with a Proven Solution Provider

You may want to implement some of the items in this step before a proof-of-concept system is planned, e.g. gathering solution provider customer references, but it is essential that it is completed before you sign a purchase contract. This is where you perform due-diligence for final confirmation.

1. Receive and carefully review a draft proposal for the implementation
2. Compile a list of detailed questions/concerns for the solution provider and have them answered to your satisfaction.
3. Gather and review solution provider references.

Only after all these steps are completed are you ready to consider the final proposal and sign a contract with a solution provider.



It is crucial that you understand that choosing a proven provider is more important than price. In the Standish Group study (page 3), the survey revealed that companies that implemented a solution twice (due to a canceled or challenged project) dramatically revised their selection criteria. Whereas, price of software was the number one concern the first time around, it dropped to number five the second time. The top four selection criteria these companies chose as more important than price were (1) level of support by the solution provider, (2) the provider's track record of performance, (3) the software's ability to fit the business, and (4) the growth potential for the software.

The Investment and Expected Results

If you pursue these seven steps, what will your investment be? What investment should you insist on from a solution provider? The following are some guidelines and some approximate time estimates based on the experience of Synergy Business Solutions.

Solution Provider Investment

1. Evaluation plan and project timetable
2. Software and estimated implementation/training services proposal
3. Business-fit presentation (the initial demo)
4. Software-solution presentation (the proof-of-concept Prototype)
5. Customer references
6. Implementation approach that meets your business objectives

Your Investment

1. 1-hour meeting with key stakeholders to understand needs
2. 30-minute meeting with executive sponsor to present and confirm business fit and evaluation plan
3. 3-hour meeting with stakeholders to present initial software solution (the demo)
4. Appropriate needs requirements meetings (Plan), i.e. the needs assessment (usually 40 hours)



5. Proof-of-concept (Prototype) configuration and documentation (usually 40 hours)
6. 3- to 4-hour meeting with stakeholders to present the proof-of-concept solution (Prove)
7. 30-minutes with executive sponsor to present final proposal
8. 30-minutes with executive sponsor to finalize project and contract (Purchase)

Synergy's A-Level Client Characteris- tics

The experience of Synergy Business Solutions indicates that companies that possess the characteristics listed below represent the lowest risk to themselves, their implementation project, and the solution provider.

Clients and prospective clients who do not possess these characteristics represent a higher degree of risk and the potential of producing a “challenged” or “cancelled” project (see Chart on page 3.) The organization’s return on investment will be lower, and their investment payback period will be longer. It is the goal of Synergy to identify, attract, and retain clients who:

1. perceive the acquisition of a new accounting and business information solution as an investment rather than a cost
2. have a strong and supportive management team
3. have qualified accounting staff
4. are committed to Microsoft® technology
5. value quality services
6. believe in a planned approach
7. manage their own expectations through frequent and healthy communication
8. focus on a team approach
9. regard leadership in their industry as important
10. exhibit and appreciate a high degree of professionalism
11. have an established and enjoyable work atmosphere



12. have executive and financial managers who are committed to the project

Pursuing a Solution

If you are ready to talk to a solution provider who will implement this process and help you solve your PMA, financial management, and business intelligence software challenges in a way that meets your industry and company needs, contact us or learn more by visiting our web site at:

www.synergybusiness.com

Synergy Business Solutions uses Microsoft Dynamics™ SL (formerly Solomon) as foundational software for PMA, financial management, and business intelligence solutions and, when necessary, other third-party packages to supplement a system, including The Analyst.

Contact Us

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“Synergy’s method of prototyping the system allowed us to see how Microsoft Dynamics SL could meet all of our needs BEFORE we purchased the software. Once I saw it, I knew it was the right solution for us. Synergy and Microsoft Dynamics SL have exceeded all of our expectations.”

Trish Kilmek, Business Manager
Intertox

“We would not be as successful as we are today without Microsoft Dynamics SL and Synergy. The support that the Synergy staff provides to GP&A is indispensable. Service is very quick and they are very responsive.”

Robin Smyth, Owner
Gillespie, Prudhon & Associates

“Microsoft Dynamics SL gives us more data, better data, and more timely data. Our managers are able to make better, faster decisions each day, as well as more intelligent long-range planning decisions.”

Brian Allen, CEO
ATS Automation

