

When It Comes To Evaluating ERP, Have A Plan

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When evaluating enterprise business software, proceeding straight to a vendor demonstration without a plan is a critical mistake.



The following post will examine four mistakes that organizations make when evaluating enterprise business software. When organizations look to evaluate software, they often mistake interviewing vendors as the software evaluation process itself.

Organizations make several mistakes when evaluating software. The organization usually proceeds straight to the vendor demonstrations without a plan to get ramped up and educated within the space. Often at this point, the functional and technical requirements have not been gathered and the correct business process mapping has not occurred. There are several problems with this approach.

The first problem is that organizations usually start with too many vendors to start the evaluation. This rapidly becomes an exercise in administration. The stakeholder often tasked to select the vendors is the project manager. This person must select the vendors on the long list, collect all the research necessary to understand the intricacies of features/functions, understand the requirements, educate himself or herself, educate the rest of the project team, and manage all the questions, answers, and content provided by the vendors. Managing and keeping the data collected becomes difficult, as there is much to sort through. Another complexity is

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that many software applications have similar or identical features. This makes differentiation between solutions even more difficult.

The second problem with inviting vendors for demonstrations of their software is that, without a set demonstration script for the vendors, each will have its own agenda. Each vendor is not given the same chance to be evaluated on the same criteria. Vendors will often show the customer all the functions and cool features their software is capable of providing, while not solving the original business problem.

A third problem is that the features shown during a vendor demonstration become the actual evaluation criteria for a company's new enterprise software system. This often changes by vendor and can again lead to selecting the incorrect system. It introduces additional project scope, buys unnecessary functionality, and wastes company money. These wanderings off of original intent can cause a company a non-sufficient ROI and a longer time to realize the benefits that the new system can bring. This lack of diligence may actually impede business growth by tying up too much money in the original system selection.

A fourth problem is strategic fit. It is often overlooked when going through rapid and many vendor demonstrations. Organizations can easily get caught up in the luxuries of the software. This can lead to over-buying. The organization might not realize the extra resources that the company will be liable for during and after the implementation. The scope of the implementation itself can overwhelm a smaller organization and can lead to extra spending on consultants to complete the project.

These are four points that can be mitigated by your organization if you do not jump straight to vendor demonstrations when proceeding with a full software evaluation.

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