MSBC Mountain Skies Business Consulting

5 Steps to a Successful Software Installation/Conversion

by John William Wright III

Introduction

Are you about to embark on a journey of change for your company involving new or upgrades to computer systems and applications? Then you may want to use this document as a model to help you achieve success in your time of transition. This model is called the SERUM (Strategic Planning, Evaluate Need, Review Software/Hardware, Undergo Transformation, and Manage Change) method. Below you will find the details of each section.

It is recommended that you pay special attention to Manage Change section of this document, as you go through this process, your staff, your clients, and your management team will all have to deal with a great amount of change. Managing it up-front makes it much easier to deal with in the long run. It is also recommended that you read the book 'Who Moved My Cheese' by Spencer Johnson, M.D. It takes less than an hour to read and will give you great insight into the personality types that you may encounter as you go through this process.

This knowledge is shared with you in hopes that you will share your success with me. If you have any questions, comments, concerns, or just need a little clarification on any point, please feel free to contact me at jwwiii@mountainskies.com.

(S)trategic planning

It all starts at the top. The CEO and top management must have a vision and a direction for the company and it MUST be communicated to every employee. You may also want to review the Strategic Planning Section that encompasses top management visions down to strategic goals listed on individual employee job descriptions.

Do not scrimp on this step. If you are evaluating software only to correct an emergency problem, you are almost certain to run into disaster. Better to let the problems exist and to plan for the future than to act out of crisis. Of course, this can only be adhered to if you can maintain profit levels to get you through the whole process of this document.

A good strategic plan will contain the elements:

- SWOT and/or PEST Analysis of Current Conditions
- Mission, Vision, Core Values Statements
- Financial Plan
- Marketing Plan
- Business Resumption Plan
- E-Commerce Plan (if applicable)

- Strategic Plan Monitoring and Reporting

Once developed, STAY FOCUSED, making sure the processes and policies are in place to regularly review the various plans. Remember that in this day of fast changing technology, a web year is considered only about three months. So stay on top and let it become a fluid document, not a museum display.

(E)valuate Need

If the need for your organization includes an accounting system and the associated business management software, one of the best resources to you is The Accounting Library. It is an unbiased review of over 150 accounting systems and asks over 3000 questions. In it highest form, it is modifiable by the user and has many other special features like ranking RFI/RFP responses and press releases. Using this product may even help you determine the questions you need to ask your employees about what they really need.

If your project exceeds the $50,000 range, consider hiring a professional consultant. Business people know that they need help from the experts from time to time. To gain a thorough evaluation of your system and processes, or if you are unsure about what your priorities should be or what questions to ask in order to start looking at software, engage someone's services. I have seen consultants save $200,000-$300,000 on a $15,000 consulting fee. So get references, get referrals, but by all means, get one.

Do not use a software vendor to help you in your needs analysis. They are biased toward their own product and usually are not trained in performing the consultant role. Your consultant should not be trying to sell you anything but their time and your salesperson should not be consulting you.

A thorough evaluation will include:

- Complete list of hardware (workstations and servers) with specifications including
  - Processor type and speed
  - Amount of RAM
  - Hard Drive size and speed
  - Video Capabilities (resolution and no. of colors at each level)
  - Complete list of operating systems and application software with current revision numbers and upgrade to current revision numbers and cost
- Department by department assessment of current requirements and employee/departmental opportunities for involvement
- Data and reporting requirements of key management
- Data entry/operational personnel requirements
- Necessary audit trails and reporting for operations and finance - current and anticipated

A team should be formed for each department that will give input into the purchase and functionality of the application(s). A chair for each team should be elected. It will be this person's responsibility to ensure the needs of that department are clearly documented.

An overall scoring method should be chosen, for example; a 1-5 where:

1. Do not have to have, an efficient manual process is in place and working
2. Have a manual process that is working, but could be time or labor intensive and it would be advantageous to computerize
3. Process should be computerized, but we could survive if it isn't
4. Process needs to be computerized, but part of it could continue to be manual
5. Cannot live without a computerized system

Each department will then use this scoring method in its needs document. Important functions of each department should be placed into a small quantifiable sentence and then weighted based on the agreed upon scoring method. These should be aggregated together into one document, as it will become the master grading sheet for each vendor. A sample grading document for a clinical/accounting system can be downloaded from this site also.

Take time to do this right. This is the most important document you will create as it is the detail of your current capabilities, expectations, and future needs. It is the meat of the matter. If you don't know where you're starting from, it becomes very difficult to know what it will take to get you where you want to go.

(R)eview Software/Hardware

You will want to get buy-in from top to bottom in your organization. Buy-in is making sure that key members of your organization support the new system. It is not enough for management to say, “Ok, we are getting this new whiz-bang accounting system that will make your life easier”. You must sell it to employees by getting their active participation in the decision making process, otherwise they will not feel that they “own” the system. This fundamental principle of human nature is especially important when bringing in software since almost anyone who is involved in the business operations can sabotage the new system either by ignoring it, being afraid of it, or misusing its capabilities. Why would anyone do that, you ask? Simply because they were ignored during the decision making process. Ignoring middle management and operational staff during the software selection process is a cardinal sin.

If evaluating the need is the meat of the matter, then this is the BBQ portion. It's time to start grilling some vendors.

First it's time to start qualifying your potential vendors. If you are fortunate enough to not be in a vertical market that only has one or two application developers, then it's time to start doing some research. A good place to start is trade publications. They will generally do a comparison of software products and can usually give some pretty good information. You can generally cut down some of your questions by carefully reviewing these comparisons. Pay particular attention to those companies that have a large installation base. There's a good reason for this; in most markets 10%-20% of the companies will generally own more than 80% of the market. It proves that the industry has placed trust in them, that they maintain and upgrade their product regularly and that the product is mature and stable. Does this mean that the less popular products are unattractive? Absolutely not, they may have features that cater to a specific arm of your marketplace or they may have wonderful integration strategies with other 'best of business' applications. Just understand that the risk of making a bad choice increases as you wander away from the mainstream.

You can find a wealth of information about a company before you even contact them. Make sure you get:

- Dunn & Bradstreet Profile (the detailed one, not the freebie off the Internet)
- Number of Installations
- General Pricing
- Support Structures
- Number of years in business
- Number of Employees
- Programmers/Employees ratio (a good number to compare against other vendors) Revisions (how often and how long in between)
- Stock history (if publicly traded)
- Press releases
- Operating platforms supported and what is the front end programming language
- What type of database is it stored in and is that fixed
- Minimum requirements for servers & workstations

You can generally cut down your list to 5-7 after reviewing the material from the research. Now is the time to contact them and ask them to send you their promotional packets and a demo CD if they have one. Demos come in two flavors. The first is an actual working copy of the program with some restriction on number of files, number of users, number of records, or an elapsed period of time. The other is a computer-based sales pitch showing features and some even have movies on them. These are nice if you can sit through them without falling asleep. If you do get through it, you'll get the features that are normally presented in a live demo sales pitch, so you may be able to trim down the time needed for this portion. Again, many of your questions may be answered from your evaluation before you ever talk to anyone.

Once you have your list, schedule the demos. I will inform a vendor right up front that the process is to see the sales pitch demos first, and then from a short list, a second demo will take place that will require much more work on the vendor’s part. Inform them that they will be participating in a 'scripted demo' that you will write. If you are unfamiliar with this term, I will go into detail later in this document.

The scoring method is simple. Each department takes their list of priorities and makes sure that the salesperson addresses each one. Pay attention to the little features as well as the big ones. Ask the questions; how do we void transactions, are changes stored historically or do they overwrite existing data, how do we void checks, AP/AR transactions, invoices, and any others that will happen on a regular basis in your company. How easy is it to change data on already filed items? Does it work in a batch mode or is it posted as soon as the transaction is saved? What happens when invoices are overpaid or underpaid, what happens to the extra, does it apply to another invoice, etc.? Look at your daily operations and make sure the little anomalies are covered. Talk to your operational people, they will love to tell you about the little nuisances that crop up regularly. BE SPECIFIC!

Some things to remember during the demo process:

- Believe nothing a salesman says until he can prove it.

- Salespeople are slick and may misrepresent a product, not out of dishonesty, but because they don't really know the answer and have never been challenged on it before. Get past the friendly personalities to what substance lies beyond.

- Avoid overbuying.

- Buying prestige names may bring a sense of security, but if the product is beyond your needs it could cause more training and technical support than what would really be required.

- Use external programs for complex situations.

    - Remember that at times it is better to export data to an external spreadsheet or program that can perform complex computations rather than to have custom code written into the software to accommodate your needs. Custom code is very expensive.

- Report Writer.

    - Spend a lot of time evaluating the report writer. Data access depends on how well a report writer can function. You may have great data, but with a poorly written report writer, you could waste you time for hours. Consider a third party report writer like Crystal Reports.

- Don't confuse what you want with what you need.

    - That's what the need analysis is for. That's not to say that if the program does some really great things on top of covering your needs, great! But be aware, everything requires training, and training is very expensive when you involve the cost plus the labor time of the people you are training and the loss of productivity while they're getting trained.

- Find out if they sell the source code or minimally will they put source code in escrow in case the company cannot remain solvent? Don’t forget that as you purchase updates that you get the updated source as well.

- Don’t forget to get installed references and make sure you call and document the responses.

After the sales demo, give the salesperson a complete copy of the evaluation materials. Have them take that back to their technical staff and have them answer each item with a yes or no, and if the answer is no, how much will it cost to get it done and is it external programming or change to existing source code. No long explanations, no maybes, make sure they understand to answer it EXACTLY as above.

After you receive this back, review it with your staff. Then with all that you have seen about each company, you should be able to whittle your list down to 2 or 3. Remember to send a letter to the ones who are not in the loop anymore thanking them for their time. As you continue to review, be aware of

the amount of customization that will be required. AVOID ORIGINAL SOURCE CODE CHANGES WHENEVER AND WHEREVER possible. Changes to the program code make upgrading very difficult and I have seen companies actually become what is known as rev-locked. That can't upgrade because of the amount of source code change that has occurred. It is usually easier and less expensive to use 'front-end or back-end' customization than it is to change code. An example of a front-end solution might be a small program that allows you to enter invoicing data in a format that you design and then pass the information to the main application. A backend solution might involve extracting or exporting data to a special reporting or analysis program. In this way, upgrades can be completed and only minor changes to the external programs may need to occur to accommodate data structure changes.

Now, it's time for you to get back to work. You've seen the features, you've asked some general questions and had most of them answered. You now need to take specific high-priority processes and write out exactly what you want to see the software do. Make sure you include any variables to the process and the expected outcome. If they can use your data, then all the better. The one who spends more time making sure this portion of the demo goes smoothly and answers all the scripted questions and processes, probably has better resources from the company in terms of technical support and understands the product very well.

By the time you review all the scores and have seen the sales pitch demo and the scripted demo, you should have a pretty good idea who your primary selection will be. It's now time to start talking seriously about how they will handle the data conversion. Start with your primary and if they can satisfy you requirements in data conversion, make the selection, otherwise, move down the ladder.

Data conversion is a tricky process at best. It will be the single biggest headache you will encounter and probably will require a custom program just to make the conversion go smoothly. Even then there is no assurance that data will move over correctly. Field sizes vary, field types are different, and date fields may store differently. Be sure to get a comprehensive proposal with timelines for the data conversion process and remember it is a rare conversion where something does not go wrong. Plan for it, expect it, and communicate it.

Once you are satisfied with the company and there is a good corporate personality fit, I would recommend that you put down a small deposit and begin working on the project plan agreement. Most software vendors will have a plan for the installation of their application available. Ask to see this before you place down the deposit. You will need to work this document into one that includes the items for your company, assignment of tasks, responsibilities, timelines, and accountability. Make sure everyone who has a task on the project knows when it will begin, when they need to have it completed, and how well it needs to be done. Installations fail because of fault from the vendor and they fail because the customer did not realize that they were responsible for the input of a customer list and did not plan the resources to getting it done in a timely manner. It can push the whole project back and create a lot of ill feelings for all involved.

Once the project plan is in agreed upon, sign the contracts, pay per the terms of the contract (less the deposit) and let the games begin.

(U)ndergo Transformation

Assign a project leader for the installation process, he or she will need to be the transition champion. This is a person whose main goal is to make sure the system goes in and works for everyone. This individual must have good human relation skills as well as some technical computer skills. He or she needs to be current with information technology issues so that they are not blown away with technobabble spouted by software vendors. This person will then be responsible for selecting members of the installation team.

It is beyond the scope of this document to expound on the merits and advantages to utilizing project management techniques and software to ensure that the project moves along as everyone expects. I can only say that someone who is expert in project management software is a big plus. But you will lose that plus if you don't have good communication up and down, outlets for communicating to all stakeholders, and an accountability culture where mistakes aren't punished, but rather other team members pull together to help the process get back on track. It's a hard culture to develop and harder to maintain, but well worth it when gets there. Consider employee training on project management, change management and communication styles.

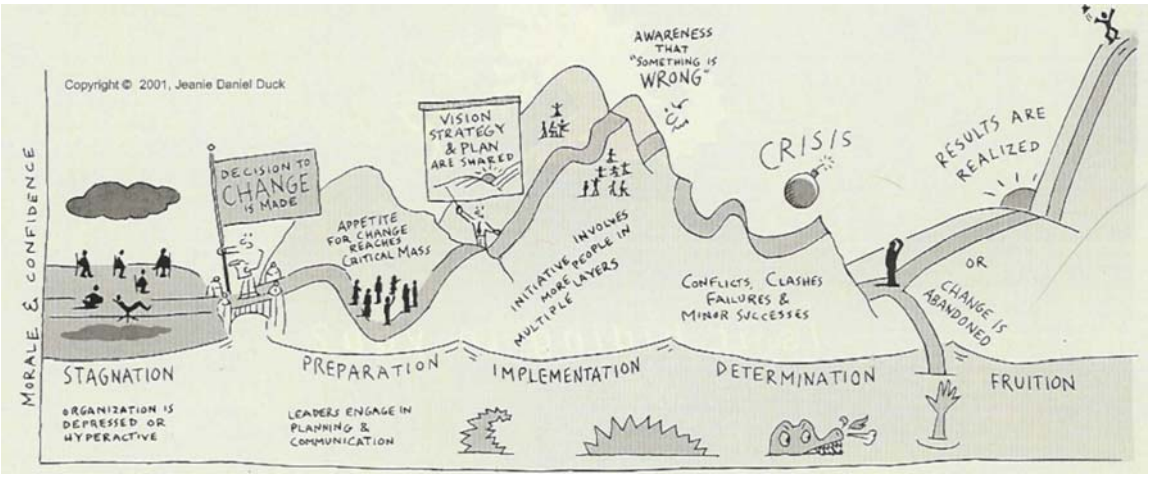
Keep accurate meeting minutes and versioned copies of the status reports. Keep people informed as time changes occur and stay positive. Send thank you notes to those who do good jobs, especially when they come in on time and on budget. Reflect on your accomplishments to date on a regular basis. Sometimes when we are in the thick of battle, it is good for the future to look back and see how much ground has been taken.

If you have done your planning and software selection processes well, you will encounter a minimum of surprises. But alas, surprises will arise and problems will occur. Do not become discouraged, but rather become tenacious. Sometimes a project just needs a champion who will take the attitude of "Failure is not an option".

(M)anage Change

Once the process begins, managing the influence of change and the anti-change culture that will continually try to raise its head will be one of the most ardent tasks. Learn to deal with this as effectively as you do the project management itself. There are many well-written books on the subject of change in every category of change that you could imagine. Below is a list of items about change that are relevant to a project such as this.

When examining change it is necessary to understand the stages of change that have been identified. It is interesting to note that these stages take place in varying degrees in different people, but are exactly the same whether the change is a different process in the workplace or the death of someone close. Jeanie Daniel Duck diagrams it like this:



You should be able to identify and deal with the levels of acceptance encountered. Here are the stages and some tips on how to deal with them.

Denial

A wonderful self-preservation response. It is characterized by minimizing the situation, and saying (or thinking) things like "This isn't happening", "It won't help", and "There's no problem". You may find the person will avoid talking about the situation, or even make up excuses for not attending meetings.

- Explain the denial to commitment process that you went through to get where you are.
- Present the situation openly and allow a lot of time for questions and answers.
- Have a training session on change management.
- Present a caring and understanding front. Though this may not be your normal attitude, during this process it will be invaluable.
- Be a broken record with memos, thank you emails, posters, or anything else that presents your platform in a positive light.

Resistance

It is at this stage that you may see the active signs of sabotage. They may be passive as in “I’ll just do it my way anyway", along with a lot of whining-crabbing about the new systems. Or they may manifest in physical methods of sabotage depending on the character of the person. Be aware that these are real threats to the success of any project. But for the most part, those who fall into this category will show a lack of interest and a lot of time spent on finding reasons it won't work.

- Listen! And I mean listen. You can hear more in the tone and inflection of what is being said as well as the body language than you can imagine.
- Solicit Response. People love to know that they are being heard and even more that their suggestions are valid. Many of them are. These are the people who will make or break the

installation, let them know they have input to the outcome..
- Acknowledge Feelings. Let them know you went through a similar process in getting where you are. Validate that they are not alone.

Exploration

People will begin to see some of the good that may occur in the situation, and will generally vacillate between thinking that it might be ok and that it is still a bad idea. But, the up side is that you are beginning to get them on your side and they will begin to make effort to get the changes in place.

- Facilitate. People are more open at this point. Take advantage of it. Be your own commercial! Challenge people to find a better way within the new system. It gets them thinking about the next round of change and off the current.
- Reward forward thinking with mounds of compliments. Praise the desired behavior.
- Seek out new possibilities. Have brainstorming sessions. It does wonders for everyone's moral.

Commitment

You've got buy-in and will see productivity through the changes. People can see the bigger picture and the opportunity that the change affords.

When dealing with this from a management point of view, it is important to remember several things. These feelings are very real and they happen at different times for different areas of the organization. Do not expect to spend several month agonizing over the commitment to purchase expensive software only to turn around and expect everyone else to do a Tarzan swing from denial to commitment in a week. Remember the process you had to get through in order to accept the change. Others will require the same; allow the process to manifest itself in others. You can facilitate the process by understanding it and helping others to get through.

- Recognize and acknowledge those who get there. Give them more opportunity to improve the process and celebrate their victories.
- Inspire people to get others on board. Teach them about the process and how to recognize the people in various stages and how to move them along.
- CELEBRATE!!!!! Most important. When you have achieved goals, let everyone know and celebrate, celebrate, celebrate. When people know their efforts will be recognized and appreciated, you will have fewer problems in future change.

In conclusion, remember that we have a tremendous amount of information to process every day. There is more information in a single daily paper today than a person in the 15th century processed in a lifetime. Change takes form in one of three types; that which we cannot control, that which we can, and that which we can influence. Being positive and trying to move things from cannot control to can influence helps in the ability to manage the changes that occur. But, there will always be those things in cannot control and acceptance of that is the only road to remaining sane.

If you have found this document useful, I would love to hear about it. Please feel free to contact me

about your successes or your failures and how I could make this document more meaningful to those going through tough installations. As Red says on the Red Green Show "I'm pullin' for ya - we're all in this together".

