

# How to choose a new finance system



Choosing the right finance software for your business can be difficult and time-consuming. **But help is at hand.** Using this guide, you can find the system that not only meets the specific needs of your business, but also enhances your company's performance.

#### Advice on the review process

We're often approached for advice on what to ask when considering new financial software and how to structure a professional software evaluation. So we've developed this bluQube Evaluation Guide to answer your questions and offer the professional advice you need.

You can now take full advantage of our in-depth experience of software evaluation and make the right buying decisions more easily.

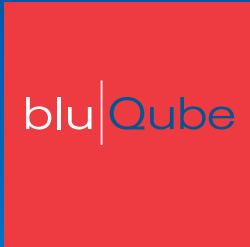
#### A fair and simple comparison

This guide should help you gather the information - within a logical structure - that gives you a fair and true comparison of the companies and software packages under evaluation.

It can also help you use your time and resources more efficiently in choosing the right software system for your organisation.

We kindly ask that use of this guide material be kept within your organisation's software review.  
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## The software review process

### General

The review, comparison and selection of a new finance package for your business can take a big chunk of time and company resources. The number of factors you need to consider seems to increase as time passes and as you become more involved in the search for what's best. Based on our in-depth experience of many different review methods, this simple and effective guide helps you through each stage of the process, so you end up with a comprehensive, informative document, invaluable to you as a buyer. It should help you find both the right product, and the right software supplier to meet the needs of your business.

A good review process benefits the buyer and the supplier. If you follow a well-structured and detailed review process, potential suppliers have an opportunity to distinguish themselves from others, and in turn you can make better informed decisions.

We'll highlight all the additional factors to consider, such as giving each supplier an equal opportunity and following your organisation's procurement procedures. It is also important to shortlist early – give yourself plenty of time to review these suppliers in detail.

### Staff involved

The responsibility for sourcing and acquiring new finance software lies with different departments or staff members, depending on the type or size of your business or organisation. Sometimes finance staff handle the project, sometimes IT departments take charge. The most organised reviews have one central point of contact for suppliers, with a number of key staff involved in the project who attend all meetings, presentations and demonstrations. Typically, a Finance Manager/ Director would be the key contact, with the IT manager and other finance staff involved in the decision-making process.

Successfully implementing a new software system starts in the review process. Departmental staff who have not had access to the software system previously may now be affected by the choice of solution, and they'll naturally want to be involved in the review process. Whereas large numbers of end users taking part in system demonstrations is often impractical, their input can be the most useful. At Symmetry we've noticed a pattern emerging:

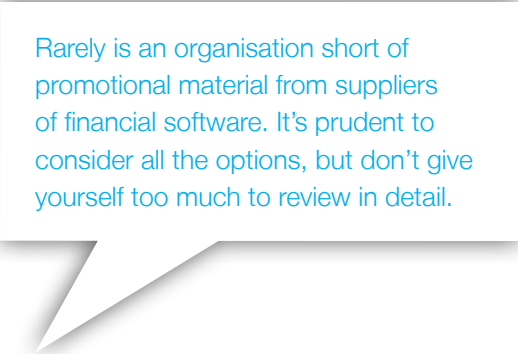
Companies who involve their end users in the review and selection process find their acceptance of the new system to be significantly higher.

## Where do we start?

Before you start looking for potential suppliers, identify and agree on what the business actually needs from its new software – distinguish between ‘must have’ and ‘nice to have’ features. And concentrate on how it will benefit the business as a whole, not just the people who use it. It may be a combination of product features specific to your own organisation (e.g. Commitment Accounting or VAT partial exemption), or supplier-related factors (e.g. how many customers they have, whether they are authors of the software or act in a re-selling capacity). You may need to integrate the system with other applications. You may have a preferred way of distributing information, internally and externally. These are all things to consider early on.

You can start to see how complex the process can be. So when you’ve assessed your priorities, decide who to involve in the selection process, brief them and get their initial input.

To make the best use of review time, it’s worth sending potential suppliers a broad pre-tender questionnaire. You can then select a manageable number of more suitable prospects to review in more detail (ideally between 4 and 8)

A white speech bubble with a grey drop shadow, containing text about reviewing promotional material from suppliers.

Rarely is an organisation short of promotional material from suppliers of financial software. It’s prudent to consider all the options, but don’t give yourself too much to review in detail.



## The pre-tender questionnaire

This should consist of questions designed to identify and disregard suppliers who don't provide the profile or level of system you require – you can then focus on the suppliers offering what you need. And remember - finding people you enjoy working with is crucial to developing a good business relationship. Don't think solely in terms of cost – it's important to select suppliers you can deal with on a personal and professional level. Get recommendations from contacts in other companies, and speak to a broad range of suppliers wherever possible. And look at the new kids on the block as well as the tried and tested companies.

### Points to cover:

#### Software based questions

- available modules
- core functionality
- integration with other IT systems and applications
- management reporting
- provision for devolvement to departments
- technology – network, database or hardware related?
- delivery method – can the supplier host the software?
- web enabling and e-commerce capabilities

#### Questions about the prospective supplier

- software author, or reseller?
- relevant market experience
- existing customer base
- staff resources and experience
- support service
- implementation experience – generally and in similar projects
- estimated costs for your basic requirements (usually based on number of core users and implementation time-scales to give a broad figure)\*

The capital expenditure and ongoing costs of a new software system are probably near the top of your list of important factors to consider. You may have a maximum-spend figure in mind. If so, the pre-tender questionnaire should also be used to identify those suppliers who offer the desired product – within your budget.

Most suppliers will be happy to give you an estimate for software implementation and support costs, and this gives you a range of costs to compare. Having some degree of flexibility will help make sure you don't miss out on the system that's perfect for your business needs. In this instance the extra initial outlay could save you headaches – and money – as your business grows.

Identifying your requirements as early as possible can save everyone involved time and money later on. And it gives you a much better idea of who and what you'll be dealing with as you make steady progress towards finding the right system.

\* (see Appendix A for further guidance on pre-tender questionnaires)

Key staff involved in the review should each have a copy of the tender, so request the amount of copies you need. **A good supplier will have taken time and effort presenting their response and they'll happily provide several copies to a potential client.**

## Requesting a proposal

By now you'll have sent the pre-tender questionnaire and/or created an initial list of potential suppliers to approach. Typically, you'll select a maximum of eight prospective suppliers to take to the next stage. When assessing them, try to be consistent in the way you judge them – it gives you a clearer picture of what's on offer. Here are some suggestions for a smooth decision-making process:

- Issue a formal pre-tender questionnaire to see if suppliers meet your basic criteria.
- Meet them – good suppliers will take the time to establish a relationship early on and understand your requirements.
- Ask for a practical demonstration of their software.
- Follow up references – other end users will give you real insights into how good the product is.

You now need to assess what's on offer in more detail. Suppliers will usually provide a first demonstration, and after this you can ask them for a more detailed proposal. Their first demonstration will give you a better idea of the software's suitability for your business requirements.

Some organisations opt for this demonstration before issuing a proposal document. Others issue a proposal document, then arrange first demonstrations once it's clear which elements the supplier suggests will meet your requirements.

Neither method is considered better than the other, but some procurement procedures require formal tenders to go out first.

A recent survey revealed the top priorities on system selection are now implementation factors, such as ease of transition from old to new systems, through to the quality of support and service after implementation. So this is clearly an aspect of the supplier's proposal that you need to look at closely.

One of the best ways to do this is follow up references – speak to other users and visit reference sites. This is covered in more detail below in the section "Short listing and reference site visits".

Details of reference sites, a consultancy proposal with draft implementation plan, draft legal agreements and copies of company financial accounts are standard inclusions in most tenders for this type of business contract. Depending on the complexity of the documents, it's standard to allow 3 or 4 weeks between sending your proposal request and the closing date for receiving responses.

## Demonstrations

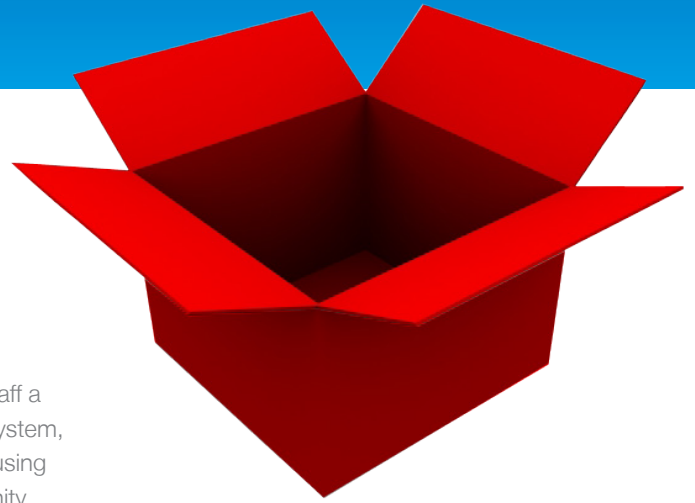
### First demonstrations

The first presentation will give key review staff a first impression of the proposed software system, without going into unnecessary, often confusing detail. This is simply the supplier's opportunity to demonstrate the features and benefits of their software and how it can meet your demands. It's your opportunity to take a closer look at the software, develop further questions and consider any factors that arise. You should have a standard checklist for each demo so you can compare products objectively.

If possible, it's also a good idea to see all first presentations in a short space of time, where possible. Sounds obvious, but it's easy to forget what could be vital information if demonstrations are drawn out over weeks or months. A comprehensive overview and demonstration of most systems shouldn't take longer than 2 or 3 hours.

All key staff present at the first presentation should aim to meet as soon as possible afterwards to gauge everyone's feedback and exchange ideas and opinions while the information is fresh in everyone's minds.

By now you should have enough information to bring your shortlist down to 2 or 3 suppliers and start arranging more detailed demonstrations from them, involving the end user and other staff.



### Second demonstration

This can be a tricky part of the process – it involves a wider range of staff, all looking at the software from their own perspective. Senior staff will be looking closely at the supplier they might be investing in, whereas end users will be assessing how easy the system is to use and how long it might take them to get used to it. For these reasons we find it's useful to split the demonstration in two – a section for senior staff and one for end users.

This is possibly the most important part of the process. At this stage all staff involved will be starting to develop preferences for one of the short listed systems, for different – but equally relevant – reasons.

Dividing the second demonstration in two for the benefit of different interests is also a good test for the supplier. They should be able to communicate the benefits of their software effectively to investors, IT staff and end users.

## Short listing and reference site visits

Once relevant staff have reviewed the second demonstration and carefully considered everyone's feedback and opinions, it's time to shorten the list again – preferably to just two suppliers – and begin reference site visits.

Visits to sites where the software solutions are already in place are crucial for any effective review. They'll help you to assess qualitative factors such as ease of implementation, quality of ongoing support, and end user experiences. Remember – so far you've only seen the software system working in a controlled environment.

It's wise to visit reference sites similar to yours, or slightly larger organisations, so you can see how the proposed system will cope with your company's growth. Discuss with the shortlisted suppliers which sites they think will best answer your many questions.

We encourage you to visit at least one customer, preferably more, depending on the time and resources you have. And speak to as many references as you can over the phone. It's the best way to get a 'real-world' view from people who aren't trying to sell you anything. Most people are happy to share their experiences with you – good or bad. The information you gather here, detailing the selection process, will support your final decision to the executive board.

At this stage you should also be looking at factors that could make your life a lot easier when it comes to your ongoing relationship with the supplier that you finally choose.

### You might want to consider:

- Do they own and develop the software independently or are they resellers? This can determine how much control they have over the software and how well they know it.
- Is their knowledge of the system good enough for them to offer full technical support to your satisfaction?
- What's their support service like? How fast do they respond to your needs? What do their other customers say?
- Will the system they offer integrate with other applications effectively?

Finally, comprehensively review the suppliers, based on your visits and end user accounts and decide who appears to offer exactly what you need – in terms of the software itself and the ongoing business relationship. How well did they understand your needs? Do they have what it takes, professionally and personally? And finally, don't ignore your gut feeling – it will often help you make the right decision.

## Final selection

By now you'll have developed a pretty good idea who your preferred supplier will be. So arrange a meeting with suppliers to discuss terms and conditions of sale, and a review of licences required for end users.

Many companies and organisations require a formal presentation at a meeting of the board and/or executives, which may include a final scoping report from the selection team, detailing exactly how the software will meet the business' requirements and how the supplier intends to approach its successful implementation.

By using this guide, you should now be in a position to make a final decision with greater ease and confidence. Many people in your company or organisation have worked hard to get to this point, and so have the short listed suppliers. You should offer them constructive feedback – like you, they have invested a lot of time and money in the process.

## Implementation

Well done. You've completed the evaluation and made your final selection. You've made an important business decision, based on a fair and objective review process, gathering all the information you needed, and taking all factors and variables into account. You're ready to implement your chosen software using your selected supplier.

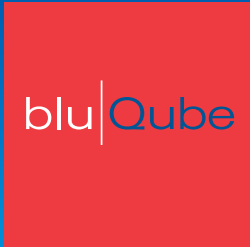
We hope you've found our guide useful.

For more information, please call Edward Smetham on **08456 447788** or e-mail **info@bluqube.co.uk**



## Typical review process

- 1.** Initial internal meeting - setting budgets and agreeing the review process.
- 2.** Collating information on prospective suppliers
- 3.** Pre-tender questionnaire issued to prospective suppliers
- 4.** Review of returned questionnaires and issuing of proposal documents to 6/8 suppliers
- 5.** Review of proposals, arranging, viewing and evaluating first demonstrations
- 6.** Shortlisting and arranging second demonstrations involving wider staff
- 7.** Reference site visits and contacting other users for their feedback
- 8.** Presentation of selection process and decision for final approval
- 9.** Contract signature & Implementation



# Appendix A

Suggested content for pre-tender questionnaire or proposal document:

## 1. The Supplier

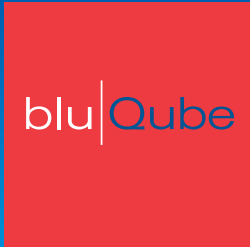
• How long have you been trading with this finance system?	
• Do you develop the software yourself or do you distribute it for a third party?	
• How do you keep in contact with your customers?	
• What is the company's profitability over the last few years?	
• Do you subscribe to the BASDA code of practice?	

## 2. The Software

• Is the software fully web-enabled?	
• Does the software incorporate eCommerce features, for example XML?	
• Does the software allow integration with third party products and applications?	

## 3. Project Planning

• What experience do you have of planning similar projects?	
• How do you define and document the structure of the project, escalation procedures etc.?	
• Do you provide a detailed project plan?	
• How many days of your consultants' time does your plan allocate to:	
1. Project planning	
2. Explaining the planning process	
3. Project co-ordination	
• How many days do you think we'll need for:	
1. Project planning	
2. Understanding the planning process	
3. Project co-ordination/review	



• Who will manage the project and what qualifications and experience do they have?	
• How will you monitor the quality of the process?	
• What type of documentation do you provide to help with managing the project? (Please supply examples of the documentation)	
• Will you offer a single point of contact during the implementation process?	
• What techniques will you use to assess our requirements? (e.g. meetings, questionnaires, etc.)	
• How do you communicate the results of your findings to us?	

#### 4. Project Management

• How does your project manager keep in touch?	
• What frequency and duration of contact can we expect?	
• What is your internal reporting mechanism for consultants' project management activities?	
• How do you ensure the quality of your consultancy days?	
• What methods are used to manage the project? What documentation do you supply before each consultancy day?	
• How do you review each consultancy day?	
• What documentation is supplied after each consultancy day?	
• How do you deal with 'matters arising'?	

#### 5. Installation - Hardware and Software

• Who is responsible for sourcing and installing the hardware?	
• Will we need/receive technical training from you?	
• What documentation do we receive supporting the installation?	
• Who is responsible for installation?	
• What skills will we need to support the installation process?	

## 6. System Definition

• How will you identify our business processes and processing requirements?	
• Who will carry out this work?	
• What qualifications and experience do they have?	
• How do you intend to confirm the results of your findings, and to what time scale?	
• How will you communicate your findings to us?	
• Who is responsible for setting up the system?	
• How does the business review process feed back into the project plan?	
• During the system set-up, how do you guide us through set-up options?	
• Does the plan include tasks for supplier and customer?	

## 7. Implementation

• Who will carry out the implementation consultancy?	
• What qualifications and experience do they have?	

## 8. Training

• What training will we receive?	
• What form does the training take?	
• Is there any follow-up to the training?	
• When does the training take place?	
• Is training tailored to meet our requirements?	

## 9. Support

• What support (in addition to our consultancy days) should we expect prior to going live?	
• How do we report issues to your support desk, and do we discuss them directly with your support staff?	
• What experience does your support desk have?	
• Do they specialise in supporting this product?	
• Do support and maintenance charges include the cost of maintenance releases?	
• How frequently do you issue maintenance releases?	

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