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## Progressive Distributor

### Choose the right software for your company

by Dani Kaplan

When I speak with CEOs and CFOs about buying new computer software, they often respond by saying "Our software works fine. We've had it for 20 years and never had any problems with it." In other words, if it's not broken, why fix it? But their system may be broken in ways they don't realize.

Using outdated computer software creates a domino affect that results in increased manual efforts and frequent bottlenecks. Very often when customers call, Customer Service personnel have to go to the drawer to find printed information or search through multiple computer screens looking for the necessary information while the customer waits on the phone. Not having the information readily available, they tell customers, "I will have to call you back as soon as I find the correct information." Besides creating an unhappy customer, other customers or prospects who call and get phone recordings asking them to wait for the next available agent often hang up and call other vendors.

These types of lost sales opportunities cannot be measured. Business issues such as these cause losses and problems in other areas throughout the company, starting with excess inventory in the warehouse and ending in overdue accounts' receivable.

If your company faces such issues, maybe it's time you began to search for new software to run your business. Before you do, however, think carefully about the process you'll follow to make sure you select the right software for your needs.

#### Who should conduct the search?

Before the software search begins, form a search committee. The committee should consist of the computer department and various department heads. This kind of approach has worked very well for many companies. By pairing the computer department that specializes in technology with the heads of departments who know the business needs, the company develops a very strong software search team. Our most successful installations have been with companies that had this kind of committee, in which the computer department becomes the liaison between the users and the software implementation team translating technology to their business requirements.

Prior to starting the software search, compile a business requirement list. Once you've selected the appropriate software houses and scheduled demos, the business issues list should serve as a guide at the demo. Very sophisticated

software is not necessarily the right software solution for your company. Very often, companies buy software because they were impressed with the features and functions they saw at the demo without realizing that it might be too sophisticated for their users.

### **Fit your business needs**

One of our previous clients hired a new president to run the company. The president came from a larger company that used very sophisticated software. Shortly after assuming his new position, the president decided to purchase the software he used at his previous job. The department heads who viewed the software at the demo didn't feel it was the right choice for their company, fearing the end-users who had used a home-grown system for last 15 years might have difficulties learning it.

Despite their advice, the president decided to purchase the software. The consulting firm that sold the software guaranteed the cost would not exceed \$750,000. Two years and \$2.5 million later, the software was finally implemented and the company went "live." The main reason for the cost overrun was because the software had to be modified to meet the company's business needs, together with the very high learning curve users encountered when trying to learn the system. This resulted in the president being fired, the company having very sophisticated software with most of its functions going unused, and a large computer department to support the software operation.

### **Don't scrimp on training**

Training users is one of the main challenges a company faces after selecting software. In addition to completing their daily work, users must be trained on the new software and take the time to practice it. Because of their workloads, users very often don't practice as much as they should. In order to assure that training and practice are done on schedule, it's wise to conduct a monthly meeting to monitor progress.

One month before going live, evaluate the users' comfort level with the system. The best way to determine if the users are ready to go live is by having them make mistakes that commonly occur during the business day, but in a test environment. If the users can correct errors without difficulties, they are ready to go live, otherwise it is best to postpone the final implementation until their comfort level is achieved. Going live prematurely can result in severe business disruption and overtime.

### **Software vendor evaluation**

Before making your final selection, require software vendors to give you the names of customers you can ask the following questions:

*1) Was the software house willing to modify the software when needed, or did they expect you to change the way you conduct business in order to fit their software? Since no two companies conduct business the same way, not being able to modify software can result in drastic changes to the business environment and might cause a higher learning*

curve than necessary as well as business disruption.

2) *Did the software house provide the source code and documentation?* Not receiving the source code can result in a company being totally dependent on the software house without having the option of using someone else if they are unhappy with their software vendor's services.

3) *Did the software house charge for the source code and documentation?* Source code and documentation should be included at no charge.

4) *How many computer people are required to run the computer system?* Certain systems require a large computer department. This will result in a costly operation and a high budget for the computer department.

5) *Is the software user-friendly and how big was the learning curve before going live?* If the software is not user-friendly, it will require a high learning curve that will delay going live and will increase the cost of the computer project.

Competition today is stronger than ever before. Selecting a software system helps you compete, but only when it fits your business requirements.

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