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Article Summary:

Business software effectiveness evaluations should be performed the same way as evaluating old equipment in a factory.

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Business Software Effectiveness Evaluations

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Fueling the high growth rate for Retailers, Manufacturers and Distributors is a flurry of mergers and acquisitions. In today's world of mergers and acquisitions, and heavy usage of the Web, companies are facing a new reality. Software that meets the company's needs now will not be effective after a new acquisition takes place, or if sales substantially increase as a result of using the Web.

While meeting with a prospective client -- a CEO of a large cleaning supply company -- about purchasing new software, he told me that he was planning to grow his business by end of the year from 300 million to 500 million dollars by acquiring competitors he was negotiating with. When I asked him how he planned to integrate his company's software with the new companies he was planning to acquire, his response was: "You hit the nail on its head. The software we are using cannot support our future acquisition plans. We will have to let the companies we plan to acquire keep using their current software until we find software that can meet our new needs. Not having the right software will result in a substantial increase of our operating cost. The unfortunate part is that we did not have the foresight to think ahead of the fact that our current software would not be able to support our acquisition plans. Nobody expected that we would grow at this rate and now we have to pay the price."

Here are 4 unforeseen business disruptions that are likely to happen when your business environment changes:

1. Quite often companies engaged in e-commerce, experience an unexpectedly high volume of sales' transactions that the current software cannot handle efficiently, resulting in the need for additional labor and excessive operating costs.

2. Frequently, the current software cannot provide the desired analytical information needed, resulting in the downloading of large amounts of data to spread sheets and more complex data manipulation to get the needed reports.

Since 1980, Dan Kaplan has worked with corporate executives to improve purchasing, increase warehouse and distribution efficiencies, and implement software solutions that result in substantial savings and productivity improvements. To lower your operating costs, reduce your warehousing and distribution business's quote generation process from 3 weeks to 3 hours and invoice cycle from months to one day, go to

3. When mergers and acquisitions take place, the number of users along with the transaction volume will substantially increase, resulting in the possibility that the current computer system will not be able to handle this sudden change.

4. The acquired company might not have the same business practices as the company doing the takeover, resulting in the possibility that the current software may not be able to handle the new business demands. This can result in multiple software platforms being used creating higher operating costs and additional complexities in the computer infrastructure.

When planning future expansion, steps should be taken to ensure smooth business growth.

Business software effectiveness evaluations should be performed the same way as evaluating old equipment in a factory. When evaluating the current software functions, the focus should not be on how well the software meets the business needs today, but whether it can meet the business growth of tomorrow when the company moves to the "next level." In today's business reality, which is changing at lighting speed, lack of planning can be a very costly proposition.

Nobody likes change, but not facing the fact that a company's current software is outdated can result in substantial business disruptions and expenses down the road. The question that should always be asked is: "if the business reality changes drastically resulting in an unexpectedly large amount of new users or volume of data transactions, could the current software be able handle it?"

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