



## Technology Is The Easy Part, or It Should Be...

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The following is a paraphrase of conversations I've had with several business owners and CFO's recently. Does some or all of this apply to you and your business?

*"My business is growing. The software we use is outdated, and the vendor we use doesn't support it well anymore. We use a lot of Excel spreadsheets, but they are increasingly difficult to keep up with and are causing us a lot of problems. I'm having a hard time getting the information I need to manage the business. I know I need better tools and a more current system, but I don't know where to start or how to find what we need. What do I do?"*



This is not an unusual situation, but my response to each of the folks I spoke with may not be what you expect. It has nothing to do with a cool way to do an internet search for software. The response I generally give is that the actual technology is the easy part. The more challenging part relates to making sure we have an appropriate foundation for the discussion before we go down the path of thinking about a potentially large technology investment that could have major implications to the business. We need to make sure the organization is committed and prepared for change, and that they have a fairly clear understanding of what's actually needed before they even start thinking about specific technologies or solutions.

Assuming you really do need to pursue an overhaul of some or all of your key software systems, or if you simply think you might, the following are a couple of general things to consider as you think about getting started with an undertaking of this nature:

- Make sure you have a solid medium to long range plan for your business.

Systems need to support the business. They are all about improving processes and providing information. They can help ensure best practices are followed in some areas, but they shouldn't completely define how the business should operate. New systems are often major, expensive, capital investments. As with any capital investments, you want to make sure you know where you are headed before making them. Make sure you have clearly defined business strategies and specific goals. If you have specific goals, you will be in a better position to evaluate whether a certain system will help you achieve these goals as you work through the process.

- Identify your current issues and anticipated future needs before you start thinking too much about the systems. Otherwise, if you start by simply looking at systems you might be drawn to the “sparkly,” expensive solutions that are not a good fit or are more than you really need.

This is often harder than it sounds. It requires a clear understanding of how the business operates coupled with a lot of objectivity. Before making a major investment in new systems, you need to understand the business processes you want the systems to support. You also need to be willing to challenge the status quo. Don’t assume you need to keep doing everything the way you have in the past. Use this potential project as an opportunity to revise obsolete policies and adopt new, best practice processes whenever it makes sense. Understand the things you currently do well and need to continue doing, and identify the pain points you need to address. When you are working to understand these needs, make sure you get input from people at all levels of the organization, as well as external customers, if applicable. Don’t just rely on input from managers who may be slightly out of touch with day to day needs. Make sure you try to understand the scope of future changes that will be needed to support the goals you have established. As you work through defining all these needs and requirements, document and prioritize them. Be prepared to separate wants from needs.

- Understand the information and Key Performance Indicators (KPIs) you need to have to manage the business effectively.

In short, if you don’t understand the types of information you need to run the business, or will need to run the business as you grow, you won’t be able to tell if the systems will be able to support you.

- Make sure company leadership is truly prepared to “make an investment” versus thinking they will just be “incurring an additional cost” before you get started.

Investments help enable growth and efficiency. It is premature to assume you have full buy in on the overall expenses associated with a software replacement project until you know what they are. However, if a major change of this nature is not viewed as a potential investment from the start, you should really question whether you are ready to start the discussion. If it is simply viewed as an “additional cost” from the inception of the conversation, this will often lead to a process and decision based primarily on price versus functional fit. This in turn, generally leads to a failed project.

- Think about your organization’s capacity for change and make sure you have the management team’s buy in for a fairly major change to both systems and processes within affected departments.

Before you even get started with a major software replacement project, regardless of the potential cost, make sure the organization is prepared to make a significant change. Significant change always involves challenges. Some challenges can be anticipated; some can’t. Make sure you are prepared to avoid expected challenges and address unexpected challenges as they arise.

- Be prepared to manage this effort as a project.

Make sure it is considered a strategic priority for everyone involved. Document critical information. Be prepared to communicate frequently and effectively to all stakeholders. Don't assume anything. Establish schedules and stick to them. Commit to provide necessary training.

Again, these are just a few high level things to be thinking about as you consider making a significant change to any critical systems used to support your business. There are many other more detailed steps and structured processes that need to be followed as an initiative of this nature progresses. Having someone with experience going through this process is invaluable and unbiased facilitation of many of the discussions is generally critical. Some companies are prepared to manage these efforts internally, but most others need help. If you suspect you may need help, you probably do. If you do, get it. The investment will be worth it. Don't skimp on the up front preparation or you will typically regret it down the road.

If you'd like to discuss concerns or issues related to your technology and how it supports your business, please feel free to call or email me.