8 Steps to Successful Software Implementation

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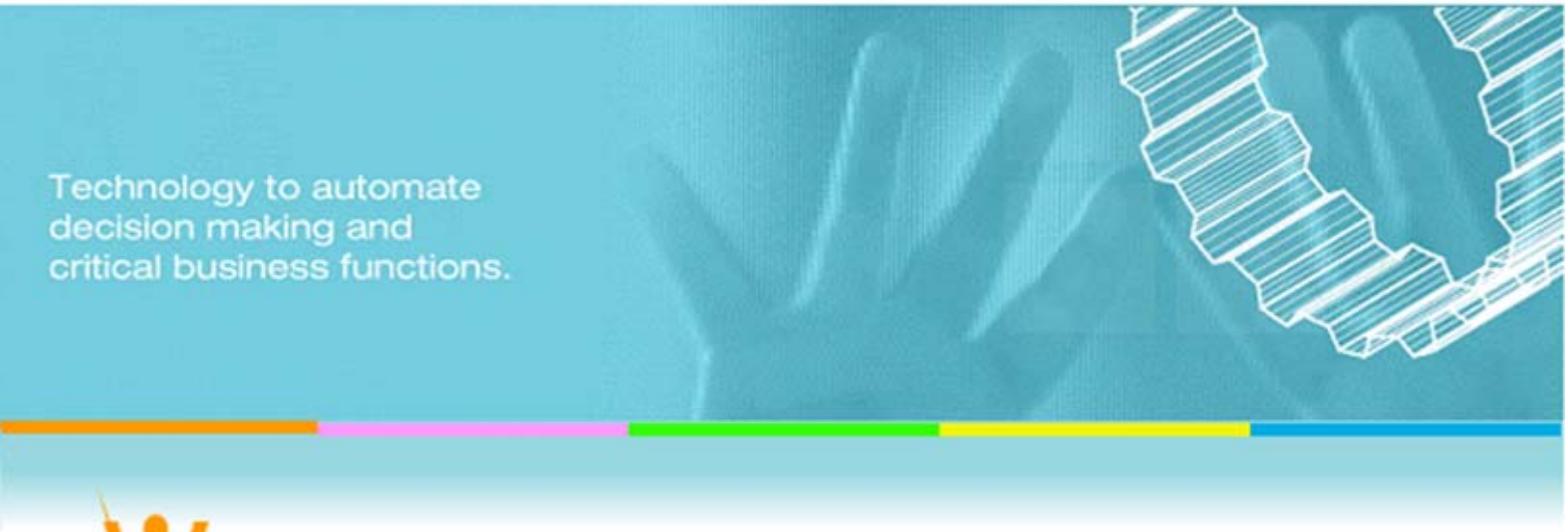

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Overcome the $10 Million Dollar Black Hole:

Avoiding the Failure of Software Implementation Projects

Large software implementation and upgrade projects are the nightmare of many corporate boardrooms. Choosing among the many available vendors is difficult because industry sales teams are experts at promising whatever it takes to get the contract while leaving the details of implementation up to others. Decisions regarding off the shelf vs. custom systems, internal misunderstanding about the need for a business process overhaul and entrenched resistance to change all create friction among the CEO, CFO, CIO, vendors, consultants and users. Costs escalate as scope creep takes over and the capabilities of the new system are modified to accommodate current rather than optimal procedures. The result is that another project runs into red ink and IT gets another black eye. Industry reports show that cost overruns of $1 million, $10 million, even $100 million, are the reality of attempting to change mission critical software and systems.

It doesn't have to be this way. Here are some observations that keep a project on track.

#1: Technology acquisition is not about technology, but about business processes.

Many people believe that new software and hardware are "magic potions" that will fix whatever glitches are in the current system. After installation, profits will be up, down time will be decreased and productivity will have gone through the roof. Would that this were the case. If the current process for tracking an invoice or managing customer relations is inefficient, then new technology will merely speed up a bad process. Customers wind up getting duplicate mailings in two days rather than three! The first step in any system upgrade must be to find out how things are really being done in a department and not what the training manual describes as the process. Then, changes can be made to design the optimal process to achieve success using the new technology.

#2: Technology acquisition is more about people than about technology.

New technology requires that users alter the way they have *always* done it. This means leaving their comfort zone and people don't like change. They tend to resist, complain and often, leave the company. Unless the users are involved from the beginning, a new acquisition is something done *to* them and they feel powerless. The people doing the work are invaluable assets in the task of trying to make their job more efficient.

#3: Wisely choose and train a cross-organizational team to set goals and priorities.

The best and the brightest from each department make good working partners with senior management when choosing new systems. That way, no one gets surprised by the costs in terms of money or effort when implementation time comes around. Creating a cooperative atmosphere, of course, is key to making this work. Buy–in doesn't happen automatically. Often, the attitude of line operators is that their presence is merely window dressing and that the senior managers will make the final decision regardless of their input. A skilled facilitator is necessary to get past this distrust.

#4: Establish good protocols for interviewing prospective vendors.

It's easy to be overwhelmed by slick marketing presentations, particularly when the sales force is talking about things that most people don't completely understand. Showmanship gets in the way of real capabilities. Unless the review team is judging each vendor against the same list of needs, with the same understanding of the significance of each rating, "likeability" can win over capability.

Generating a list of requirements is hard work. If the team hasn't bonded before these discussions, a power struggle ensues, with each faction holding out for its own "essential" specifications. An outsider with no ties to any internal group is usually better able to bring about consensus than someone from the inside. The overarching goal is to produce a list of standards that support the mission of the enterprise. The more immediate goal is to create a unity that transcends the narrowness of each participant's vision of that mission. The team meeting that follows each presentation must reinforce the common purpose while giving everyone a chance to voice their understanding or lack of it as well as their concerns.

#5: Obtain "real" agreement on the choice of vendor.

Vendor selection is a multi–criteria problem. Every business wants high quality, easy–to–use software that installs instantly and costs next to nothing! Of course, that doesn't exist. The vendor sales team speaks to the management decision makers to get a sale based upon their (perhaps limited) set of these criteria. But, it's the actual frontline users who will be responsible for making the new system add value to the enterprise. Even if management can pick the best package, the project will proceed faster, more efficiently and with a better result if the frontline people have a real voice in the selection. Getting their buy-in at the start seems like a delay, but it results in a shorter, better project in the long run.

#6: Identify system requirements without alienating the users.

Getting agreement on system requirements is an art as well as a science. It involves communication between people who have many obstacles to clarity of meaning. It is a frustrating process, but when done right, it is the foundation for success. When the people who will be most affected by the change are motivated to have project success and see the value to them as well as the company, then the requirements will be an exciting design adventure, not a boring, confusing chore. The key is training the parties in communication and team effort. With both knowledge and practical exercise, you can build the team that will succeed.

#7: Work with the vendors during implementation.

Success means everyone succeeds. The users, company management, implementation partners and the software / hardware vendors must all achieve common success – or all fail. When the entire company team agrees on vendors and implementation partners, the road is much smoother. When the vendors, implementation partners and company team are adversaries, the road leads to disaster. Everyone must believe that success requires everyone to succeed.

#8: Prepare the users to adapt to the changes required by the new system

Change management is a process, not an event. It should occur continuously throughout the course of the procurement and implementation. Management should not assume that everyone is going to accept the new system without a great deal of preparation. The selection and implementation teams have been consumed for significant time with bringing their project to completion. However, it hasn't even appeared on the mental radar screen of most users unless there is a deliberate effort to raise awareness of the coming change. Because people don't like change in general, it's hard to introduce a particular one without having changed their initial attitude about the concept. This is the first and most essential level of change management. After that has been addressed, then people are more apt to be open to the detailed changes that will be required.