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## 10 Easy Steps to the Right Business Software

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Buying a new business software package or upgrading an existing one is an expensive proposition under any circumstance, and the final tally is likely to be much more than you think. The real cost of buying such a package includes the annual maintenance fees, the training time, and the hassles of getting support—not just the initial purchase price. In addition, the computer system running the software may need to be upgraded with additional RAM memory or disk storage.

Selecting the wrong business software presents more than cost issues, however. It can negatively affect morale and productivity, contributing to poor client service, high error rates, and lost business. Many consultants have fought one or more of these battles and discovered that their client information was accidentally corrupted or deleted. Don't let this happen to you! Whether buying software for use in your consulting practice—the primary focus of this article—or assisting a client with software selection, follow the steps outlined below and you'll make the right choice.

### 1. Determine what you need and why you need it

You may be trying to solve a business problem such as the inability to locate client information quickly. Or, you may want to add new capabilities to your computer such as buying a document scanner to scan and store electronic images of paper documents. In any case, be clear about your objectives (what you want to accomplish), priorities (their importance), and constraints (your limits) to effectively select complex business software. A formal and lengthy analysis is not needed. Look at the activities that could be improved by the software package. Create a list of the capabilities you need using a simple, three-level, priority system.

- *Essential*—Failure to implement the capability means the software will not meet your needs. For example, if you were buying a contact management package such as *Act!* or *Goldmine*, you might need the ability to create automatic reminders to call selected clients at predetermined intervals. Any software package missing that feature would be excluded from further consideration.
- *Important*—Lacking the capability may have negative consequences for your business. Using the contact management package example again, you might want to store four or more telephone numbers for each contact. If that feature is missing, you could work around it but the process would require some extra effort.
- *Merely Useful*—No significant negative impact is foreseen if the capability is missing. You might like to have the ability to send contact information directly into the software using a business-card scanner. While nice to have, this feature is usually not a significant decision factor.



The capabilities list will be critically important as you evaluate the available software packages. It will help you avoid being lured into buying upgrades or unneeded extras. Vendors will frequently offer enticing discounts on “professional” or “enterprise” versions of software. For example, Microsoft Windows XP comes in “Home” and “Professional” versions. While XP Professional has some system administration features that are essential to expert users, those features are meaningless to the typical businessperson.

Remember that maintenance fees, training time, and complexity will increase with each step up in capability. Those bargain upgrades can be budget busters over the long term. Stay focused on the primary objectives for buying the software.

### 10 Easy Steps

1. Determine what you need and why you need it
2. Seek out objective advice
3. Gather all the relevant information
4. Consider more than features and functions
5. Seek out data exchange standards
6. Use spreadsheet comparisons wisely
7. Align features with real business activities
8. Try before you buy
9. Find a good vendor match
10. Take a broad view of costs

## 2. Seek out objective advice

To find out what software packages are available, start by using an Internet search engine such as Google. Entering phrases such as “contact management software” or “graphic design software” will result in lengthy lists of choices. Also, visit software download sites such as [www.download.com](http://www.download.com) that provide a wide variety of software. Your goal at this stage is to find out what is available without limiting your options.

Try to find people who have used the type of software you are considering by simply asking friends, colleagues, and clients what they use. Ask specific questions about how they use the software. What do they do with it? What don't they like? If they could start over, would they buy it again?

Be aware that different usage patterns or computer systems can produce dramatically different results. For example, a software package running on a premium system—such as a new, top-of-the-line computer—handling small amounts of data will cruise effortlessly. Install the same software on a computer aimed at bargain hunters, feed it large amounts of data—and it may slow to a crawl.

Many professionals offer help in selecting software. Most earn commissions or collect referral fees from software vendors, thus compromising their objectivity. Clearly, none of us is completely unbiased, although anyone who makes money by swaying your purchase decision simply cannot provide trustworthy guidance. Ask a potential advisor which companies and software packages she or he has recommended in the past, how often, and why. Knowing a person's bias up front can help you put their recommendations in context and challenge their ideas appropriately.



### 3. Gather all the relevant information

Once you have gathered a list of choices, search the Internet for information about specific software and vendors. This involves more than simply surfing through a company's website. Search for independent forums that mention software you are considering. When people get frustrated with lack of support from a vendor, they often turn to an Internet forum or weblog to vent and seek assistance. (A weblog is a chronological listing of thoughts and commentary posted on a website.)

For example, to find information about Goldmine, a contact management application, you might use a search engine and enter a list of search terms such as "goldmine forum weblog contact management feedback" (no commas needed when searching). Or, for information about QuickBooks, a financial management package, try search terms like "quickbooks forum weblog financial accounting feedback." Don't be alarmed by finding some very negative comments. Every company has its share of unhappy customers.

Perform this analysis for a few software packages and compare the level of positive and negative *buzz*. If any package has an inordinate amount of negative buzz, stay away. If you find very little information about a package, it may indicate that the software is quite new or has a limited installed base. Either case is cause for concern unless the package serves a narrow market niche that includes your practice.

### 4. Consider more than features and functions

Features and functions are quantitative. Sellers like to produce long lists of all the things the software can do. Any software package will do some things well and other things poorly. That's why the qualitative aspects of package selection are equally important. Focus on the capabilities you need. Ignore all the bells and whistles you'll never use. It has been said that most people use only about 20% of the features in any given software package. Don't be swayed by the other 80%.

For example, did you know that Microsoft Word has a feature called "mail merge"? It allows you to combine a list of names and addresses contained in a spreadsheet or database with a form letter in Word to create a personalized mass mailing. Very few people take advantage of this feature.

Look at the frequency of a software's patches, maintenance updates, and major releases. Many vendors publish this information in a document called the "Release Notes." If you cannot find this information on the vendor's website, try a search using the terms "release notes patches version upgrade" along with the name of the software package.

Compare the information you have gathered on vendors. You'll usually find a pattern as they strive to maintain parity with one another. If you find a seller issuing far more or less updates than the others, you should ask why. Too many updates may indicate problems that are being frantically addressed. Too few updates might suggest lack of new investment in the software package.



A common update schedule for a software package involves shipping major new releases every 12–24 months. In between these major releases, minor updates will often be distributed quarterly. As a rule of thumb, release cycles outside these boundaries may indicate either lack of investment—cycle is too long—or product immaturity—cycle is too short.

## 5. Seek out data exchange standards

The software package should support industry standards. It should also be able to exchange information with other software packages. Software that meets these criteria will make it easier for you to find other users well versed in the software and able to help should problems arise. It will also be simpler to integrate such software with other systems in your firm. And when the time comes to upgrade or switch to another package, all that data you have collected will more easily migrate to a new home.

One simple way to identify software that supports standards and exchanges information is to look at its import and export capabilities. This simply refers to the ability of a software package to read and write data in such a way that other software can also use it. Review the software documentation looking for references to Import, Export or “Save As.” These are usually found in the “File” menu on the software’s main menu bar at the top of the screen. For example, Microsoft Word has a “Save As” option on its “File” menu. Selecting this option opens a dialog box where the user can select a file type or format.

Most software packages can import/export data in several formats. Some of the most common are:

- Comma-Separated Value (CSV)
- DBase Format (DBF)
- Hyper-Text Markup Language (HTML)
- Plain Text (TXT)
- Rich-Text Format (RTF)
- eXtended Markup Language (XML)

Look for these abbreviations in the software literature and the vendor’s website. Support for one or more of these data interchange standards is a good sign that the software is able to share information and won’t hold your data hostage. For example, let’s say you are using a contact management package such as Act, Goldmine, or Outlook. They store files on disk in a proprietary file format that other software cannot read. If at some point you decide that the software no longer meets your needs, how will you move all that information to a new software application?

The most common means of achieving such an exchange is through comma-separated value (CSV) files. CSV file format is widely supported, enabling one application to “export” the data in CSV format so another application can “import” it. Without this capability, you’d be in for a lot of typing, cutting, and pasting.



### 6. Use spreadsheet comparisons wisely

Many buyers prepare elegant spreadsheets showing long lists of features and functions, with checkmarks indicating which vendors meet the criteria. This is a worthwhile exercise, although an even more in-depth analysis is needed to qualify the set of features.

A scoring system can help. These are useful if the scores are two-dimensional such as the example shown in the Sample Decision Matrix in Figure 1. For each function, assign a priority from one to three (*merely useful, important, essential*) as described in step 1. For each vendor, assign a score from one to three indicating how well the software supports the function as follows:

Figure 1: SAMPLE DECISION MATRIX

Decision Matrix	Priority	Contact Manager Applications					
		Package A		Package B		Package C	
Requirement		Score	Wgt	Score	Wgt	Score	Wgt
Compatible with Palm PDA	3	3	9	3	9	1	3
Search for any value in any field	3	2	6	3	9	3	9
Create reminder alarms	3	3	9	3	9	3	9
Import data from Outlook	2	3	6	3	6	3	6
Track relationship and event history	2	3	6	2	4	2	4
Manage a prioritized task list	2	1	2	2	4	3	6
Automatically dial phone number	1	3	3	3	3	3	3
Store contact's picture	1	1	1	3	3	2	2
Built-in word processor	1	2	2	2	2	3	3
		<b>Rank</b>	<b>44</b>		<b>49</b>		<b>42</b>

**Priority**      1 = Merely Useful  
                   2 = Important  
                   3 = Essential

**Score**        1 = Does not meet your needs  
                   2 = Partially meets your needs  
                   3 = Fully meets your needs



Now multiply the priority by the score, and the result is the true weighted value of the feature, as shown in the Sample Decision Matrix. Add up all the values, and you have a rank for the software package. Higher rank means higher value. This model isn't perfect, but it does a good job of focusing attention on the features that matter to your business. Software that does what you don't need isn't high in value to you, is it?

If you find that very few, if any, software packages meet your objectives or that those that do are prohibitively expensive, reexamine the prioritized list in step 1. Your expectations may be too high or your budget may be too low forcing you to reevaluate your needs. Moving one or two features from *essential* or *important* to *merely useful* may provide more choices.

## 7. Align features with real business activities

Professionals need software that is connected to the way they operate. Are you willing to change the way you conduct business in order to get maximum value out of that new software investment? Or, do you expect the software to support the way you do things today? Do you have the discipline to take full advantage of the new software?

Many professionals buy good-quality software that is a poor match to how they run their businesses, hoping that the purchase will drive them to change. This does not work! Change must be driven by the business with the support of the technology. Software enables change but cannot drive it.

For example, many people purchase contact management software believing that it will help them generate more business. While this outcome occurs in some cases, it requires discipline and a structured approach to managing each and every client contact. The software cannot help manage information unless you enter significant details about every client contact into the software. Most people simply don't have the discipline to enter the required information and never realize the full potential of the software.

Let's say that you are on the phone with a client and she mentions in passing that her company will be launching a new product in three to six months and might need your help. Obviously, you want to schedule a reminder to call her in a few months, but that is not enough. Good contact management software can help you categorize and prioritize this opportunity so that it retains your attention. You need to create several touch points over this time period to retain mind share and position yourself to win the engagement.

Software can make this much easier, but you need the discipline to organize the touch-point activities. For example, you may send an article of interest to the client and in several weeks follow up with some information about competitors in her field. If you know of someone who might be interested in buying her company's new product, you might schedule an introduction. If you attend a trade show, you might write up a summary and send it to her. You get the idea. Once you've brainstormed a schedule of touch points, enter the ideas and dates into the contact manager. You'll be reminded automatically as each scheduled task is due.



The alignment issue is even more critical when dealing with larger enterprises. Say a small company is managing its inventory on spreadsheets. Business is growing along with the product mix, and they decide to purchase inventory management software. There is good news and bad news. The bad news is that effective inventory management requires great discipline, structured product numbering, and detailed item tracking. The good news is that component procurement, order fulfillment, and tax reporting become much easier and faster. Openness to change enables a business to extract maximum value from the software.

## **8. Try before you buy**

Most vendors allow prospective buyers to download or request a trial version of the software. In some cases, the software is fully functional with a temporary license set to expire after a fixed time period, usually 30 days but sometimes longer. In other cases, the software is a “demo version” that has limited capabilities. Some of the features may be disabled, or the amount of information that can be entered may be limited. The documentation included in the trial will indicate what limitations, if any, exist.

There are a few pitfalls to be aware of in this effort. Be sure to run the software on the computer that will ultimately be used. Small differences in computer systems can result in widely varying behaviors. In addition, the trial software will be operating on a small amount of data. Its performance with minimal data is likely to be much better than can be expected once a large amount of data is entered.

For example, if you were to try new software on a desktop PC with plenty of memory and disk storage, it will probably perform just fine. However, running the software on a laptop PC might produce quite different results. Laptop displays are of lesser quality than desktop ones. Laptops also often have less memory and lower storage capacity, resulting in slower performance. What seemed like an excellent software choice on the desktop may prove inadequate on a laptop.

Many software packages include built-in tutorials or demonstrations. Don't rely on these exclusively because they may not encompass your daily activities. Prepare your own demo based on the prioritized capabilities from step 1 and the Decision Matrix from step 6. Develop a scenario such as creating a plan for following up with a prospect. Outline a set of activities that you want the software to perform. Test the activities on each package you decide to try. This approach will create a level playing field, as every package will be performing the same activities, albeit in different ways and possibly in different sequences.

Referring again to the Sample Decision Matrix, you might create a scenario such as this. Import some data into the trial application from Microsoft Outlook. Make sure that the data is intact and looks correct in the trial software. Create activities such as “call Mr. Jones” or “make a dinner reservation.” Try transmitting all the information to your Palm PDA. Verify that the data looks correct on the PDA. Try searching for entries using text stored in random fields on both the PC and the PDA.



When you've gone through this scenario with two or more software packages, you'll get a feeling for which one best meets your needs. No software is perfect and there are always trade-offs, but this type of real-world, hands-on testing is the best way to find a product you can live with.

### **9. Find a good vendor match**

Every software vendor has target markets and may offer variations on the software to address the differing needs of these markets. This information is readily available on vendor websites and in their marketing literature. Many software packages, such as word processors and spreadsheets, can be used by almost anyone in almost any profession. Others are targeted at specific "vertical markets"; that is, the software is intended for specialized users such as physicians, accountants, lawyers, professional services firms, heating oil dealers, construction firms, and so forth.

Vendors may offer their software to firms outside their typical target markets. Anyone can buy the software and use it for anything. That's fine for generic tools like word processors and spreadsheets but not for more specialized business tools.

Have the vendor identify the software's optimum company size and industry segment. If you are smaller than the target, you won't get attention when problems arise. If you're outside their niche, they won't use your feedback to improve the product. If you're not among their targeted users, you'll be blazing a new trail. There needs to be synergy between your company and the vendor.

### **10. Take a broad view of costs**

Consider all the costs of buying, installing, setting up and supporting a new application. Will the software run on the computers you have or will upgrades be needed? If your firm has multiple users of the software, can your internal network handle the additional load placed on it? If the software makes use of the Internet, does your Internet connection have the capacity the software requires? How much and what type of training will be needed? If you currently have data stored in another application, will any data conversion be required to move the data to the new software? How will your business be disrupted during the initial stages of implementation? What additional costs will be incurred due to the disruption?

Many vendors provide guidelines in the form of *minimum* and *recommended* computer system configurations, which usually include processor type, amount of memory, amount of disk storage, and video display. For example, the vendor may specify 128MB of memory as the minimum configuration and 256MB as recommended. Be skeptical; software performance is usually barely adequate at the minimum configuration level. The recommended configuration is almost always the real-world minimum. Consider exceeding the recommended level.



For example, Microsoft recommends a minimum of 128MB of memory for Office 2003—a combination of Word, Excel, Access, PowerPoint and Outlook. While the software will operate in this configuration, most buyers will be unhappy with the performance. Doing even simple tasks will be painstakingly slow. Moving up to 256MB of memory will greatly improve performance and result in a much better user experience.

Larger businesses will have higher indirect and intangible costs associated with new software. These include upgrading network connections and PCs, training the staff, dealing with lost productivity during initial software deployment, and providing helpdesk support. For example, take a midsized firm that wants to purchase a new accounting package to replace the one they have outgrown. They will likely discover that the new software does not run on some of their existing PCs, the software places much heavier demands on the corporate network, and the user interface is completely different. The costs of computer upgrades, network improvements, and user training could exceed the software cost. A rule of thumb for a major software deployment is that the indirect costs will equal or exceed the software cost.

### **Caveat Emptor**

As the world of business becomes more and more automated, the consulting profession is required to keep up. The right software can make your business more productive and profitable. The wrong software can be a money pit. Some extra time spent up front to truly understand what you need and what the sellers have to offer is well worth the effort. You will be rewarded with a software implementation that works for you, not against you, and makes you more effective.

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