How to Choose Business Software

Software is supposed to make it easier to run your business, but too often it is just frustrating and expensive. The right software will help you track sales, manage cash flow, and improve efficiency while the wrong program can ruin both productivity and finances. So how do you select the tight software that will work for your business without breaking the bank? There are literally hundreds of products available, in countless configurations, using different technologies so you must be cautious. This document is a guide to help you find the right tools you need to get the job done.

Steps

1. **Examine the big picture**. Why do you need new software? Make a list of the problems and issues you'd like your new software to resolve. Now, separate this list into two categories; Needs and Wants. Your Needs list should only consist of the features you deem absolutely necessary for your company. Your Wants list can be as long as a child's holiday gift list, with features listed in order of importance to you. For example, you may need the ability to export special reports in order to track performance for individual salesmen, or it might just be a Want to make someone's job a little easier.

2. **Determine your budget**. Figure out how much you can spend, including new hardware that you might need, as well as implementation and technical support. Too often companies only budget for the software purchase without taking into account recurring costs.

    *   **Customization**. Can you use an off-the-shelf product or will you need extensive customization?   Typically, software customization costs run anywhere from $100 - $250 per hour! While that sounds expensive, you may actually prefer a custom software solution since you will minimize your employee training costs. Don't fall into the trap of making your purchasing decisions based solely on price!

    *   **Hardware installation**. Will you need someone to set up any new hardware? Your typical IT consultant will charge anywhere from $50 - $150 per hour depending on the equipment and their experience. Will you have any special electrical considerations involved with the installation? Do you need to run electrical wires or install new outlets? What about backup power? You need to take all of the physical equipment costs into account as part of your budget concerns.

2. **Get input from your team**. The people who will ultimately use the software are your best resource. Ask your team about the limitations of your current system. What features would your internal users like to have? How would those features save time and increase profits? Identify the inefficiencies in your current package so you learn from past errors. Also, by including them in the process, you will speed acceptance and training time.

3. **Down to the short list**. Once you know your Needs and your budget, go ahead and eliminate all the products that don't comply. There are several websites listing software features and most include pricing information. Choose 4-5 software applications that are a good fit. Now examine value-added factors like specialization in type of business, years in business, complete product line, warranties and technical support packages. Try to focus your attention on companies that are designing products with an eye on the future. Check

to see if they are making products that integrate with other software packages. Check if they are using platforms and technologies supported by industry leaders. Finally, choose a platform that has a broad user base (like Microsoft Access or Visual Basic) so you won't have trouble finding help to keep it running.

4. **Evaluate the semi-finalists**. Which software packages have the most Wanted features? Even if it's not within your immediate budget, you may be able to purchase add-on modules later. Check into what future product enhancements the company has announced? Are these features that will be useful to you? How quickly will these new features become available? In some cases, you can negotiate a discount on the future purchase of additional modules as a way to close the sale.

5. **The finalists are in sight**. Most software companies will give you access to demonstration editions of their software via internet download or demo CD. Install the demo and study the user interface and key functions. You are looking for easy and intuitive design and clearly marked functions. Is it easy to figure out? Does the software allow you flexibility in your work process or do you have to follow a strict procedure? This is the ultimate test of which is the right product for you. Now, rule out all products that are under- or over-qualified for your business and narrow down the 2 or 3 products that you are comfortable working with. Pass these demos around to your team and have them look into the different products. Encourage them to provide you with feedback and comments for each product.

6. **Make your final selection**. Before making any decision, make sure you feel comfortable with the product vendor. If the salesperson is too pushy or you have unanswered questions, ask to speak with someone else. It is important that you feel comfortable with your decision because you will be spending money and, more importantly, time in implementing your new software. Take your time and make the right choice.

7. **Select your own expert**. You would never walk into a legal meeting without your attorney. Make sure you have your own computer expert available during the software installation. You may be able to find an IT consultant through referrals from colleagues and friends. This consultant's job is to save you money and time required to get you up and running. It is vital to work with someone you can easily understand. Make sure to convey your expectations and budget at the beginning so that costs don't spin out of control.

8. **Perform a final evaluation**. Review all the information you've received from the software vendor and your expert to make sure the product(s) you are purchasing fulfill your needs. Make sure there are no gaps! Now, finalize your upfront costs and project your ongoing costs for training, support and maintenance on a yearly basis.

9. **Establish a timeline**. Working with your expert, plan the implementation carefully to avoid your peak busy seasons. Allow for system redundancy to ensure that none of your data is lost during the transition period. For example, for some unknown reason, many businesses change their accounting systems at the beginning of the fiscal year, but this often means implementing your new system at the end of a fiscal year when you're focused on sales and fulfillment. Don't feel rushed to do it at any time during the year; schedule it for the less stressful times and let your expert work with you to ensure a seamless transition.

10. **Sleep well**. Now that you have made a decision, sleep well. Don't second guess yourself. Don't make yourself crazy with millions of "what if" questions. Relax and trust yourself and your team. Good luck and we hope you have a painless transition.

Tips

- The change from your old system to a new system does not have to be painful. Be sure you have a strategy for getting it done. Your finances are the lifeblood of your business, so choose wisely, but don't overspend for features that you may never need. A little foresight and planning will save you time and money down the road. Remember, the right software will pay for itself quickly by increasing efficiency and providing important information at your fingertips. Take your time and decide wisely.

- Most software companies offer a trial period or a demonstration of the software prior to purchase. Don't give this just a quick review; fully examine all of the features of the software. This is your chance to make sure it will perform as expected, so beat the heck out of it! Offer rewards to your team for comments and concerns they submit regarding the demonstrations. Getting their input now will substantially improve morale and productivity when the final software is selected.

- Most software vendors offer several technical support options. It may be tempting to save money by skipping the support contract, but if you do, you'll never get the full value out of your software purchase. Without it, you will face frustrated users that will be unproductive. Support is how you protect your software investment.

- Don't skimp on training! A good rule to follow is the more expensive the software, the more training it requires. Make sure you budget accordingly for training. One way or another, you will pay for your employee training. Don't pay for training through office productivity declines and errors caused by untrained workers. This is the only way you can guarantee immediate productivity with your new software.

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